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VEGETABLE Situation



THE VEGETABLE SITUATION

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SUMMARY

As fall began, *fresh vegetable* prices were running slightly lower in 1972. More plentiful onion and salad vegetable supplies have contributed to the easing. Nevertheless, continued strong demand will keep vegetable prices on the high side. Summer vegetable supplies probably totaled slightly larger than in 1972. Fall production of 14 major fresh market crops is projected to be 4 percent above last year.

Processed vegetable supplies for 1973/74 will be up slightly. Total 1972/73 disappearance of frozen and canned vegetables was up slightly from the year before. Smart gains in use occurred among canned tomato products (except juice), frozen corn on the cob, and frozen broccoli. For the past two marketing years, the trade has operated with smaller inventories of most items. This inventory practice is likely to continue in the future.

Supplies of canned snap beans, beets, and sauerkraut will be larger in 1973/74 than the season just ended. Larger canned tomato product supplies this year will enhance the overall marketing position of tomatoes.

The supply of 7 major frozen vegetables, excluding potatoes, will increase moderately. Frozen snap beans, lima beans, and sweet corn are contributing to the gain.

Because more liberal cost pass-throughs have been allowed since September 10, prices of processed vegetables are likely to rise more in the new season than in the one just past. The industry was reluctant to plan larger 1973 packs unless there was some way to pass on increased operating costs. Price restrictions in late 1972 and much of 1973 tended to hold down the rate of price rise for many processed vegetables while prices of many other items were rising sharply.

U.S. fall *potato* production is expected to be 2 percent larger than the small 1972 harvest. In the Midwest and West, production is up 3 percent, but it is down 2 percent in the East. Grower prices this year have been sharply above previous years, and may remain above 1973/73 levels for several months. Processors, especially dehydrated and frozen products manufacturers, are facing eager markets for their products.

Total production of *sweetpotatoes* is 1 percent below 1972. North Carolina and Louisiana together

are producing 56 percent of the 1973 crop, estimated at 12.3 million cwt. Fresh sweetpotato and canning crop prices are both up this year, the second straight year of good marketing conditions for sweetpotato growers.

U.S. dry bean production is a tenth below last year. A falloff of 21 percent expected in Michigan's crop is in part responsible for the tight supply and record prices. Furthermore, the 1973/74 season will probably continue to reflect solid export demand.

RECENT DEVELOPMENTS AND OUTLOOK

FRESH VEGETABLES

Record High Grower Prices

The first 8 months of 1973 have been a banner period for fresh market vegetable producers. Grower prices were record high with production holding up fairly well too. Supplies of fresh vegetables and melons thus far in 1973 probably have been within a 1-percentage point range of a year earlier. This conclusion includes winter and spring production estimates plus summer projections based on historical average yields adjusted for trend. With such a small change in supply and with demand unusually strong, grower prices for January-August averaged 37 percent more than the first 8 months of last year. The April 1973 index of prices received by growers reached a high of 202 (1967=100). A break came in September, when the index fell to 126, the lowest for any month for 1973, and 5 points below a year earlier.

Strong grower prices prevailed until mid-August when supplies increased seasonally. Sharply higher onion prices this past spring accounted for much of the advance in the index of grower prices. Onion prices eased down moderately from April through July with a sharper break occurring in August when heavier seasonal supplies came to market. During late July and early August, a labor dispute in California choked off shipments of lettuce, carrots, and other vegetables. As a result, prices were substantially higher than what would have been expected. However, a settlement was worked out. By mid-August, lettuce prices moved as low as \$1.75 per crate after having been in the \$5 range at the beginning of August. By mid-September, f.o.b. prices for many leading items - lettuce, onions, tomatoes, celery - were all sharply below August, and less than September 1972.

The total farm value of fresh vegetables produced to June 30 has reflected these higher prices, with all the gain taking place in the spring quarter. The value of winter vegetable production was roughly the same

These supplies are not adequate to fully satisfy domestic and external markets, except as recent unprecedented high price levels.

U.S. mushroom production in 1972/73 was 254 million pounds, up 10 percent from a year earlier. Canned imports were up 21 percent. For 1973/74 mushroom growers are expected to increase their production area by 11 percent. However, grower prices for processing mushrooms in 1973/74 may ease unless movement of the canned product picks up substantially this fall and winter.

as a year earlier; the value of spring production including melons was a whopping 40 percent above a year ago, excluding onions for which data are not available.

Retail prices for fresh vegetables have lagged the grower price trends. This lag is the usual relationship between grower and retail prices. Some reduction at retail is therefore expected in September and October. The BLS index of fresh vegetable retail prices stood at 184 in August 1973 compared with 146 a year earlier.

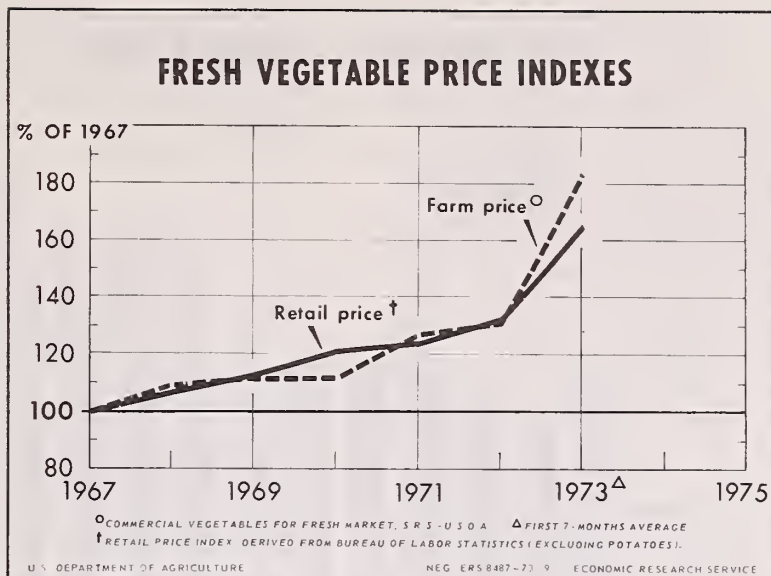
For the balance of the year, fresh vegetable prices are expected to run higher than 1972 but the differences will not be as large as recorded in March through July. Furthermore, prices will be lower than during the first half, as supplies were seasonally large during the third quarter, and in the fourth quarter only a gradual rise from the third is expected.

Fresh Vegetable Import Trends

Import competition, mainly from Mexico, is an important fact of economic life in the fresh vegetable industry. Most Mexican shipments come in during the first 6 months of the year, though some tomatoes and tender vegetables typically cross the border in December.

Tomatoes are by far the most important imported vegetable. Nearly 700 million lbs. or roughly 3-1/3 lbs. per person entered from Mexico the first 6 months of 1973. This set a new record, up from 541 million lbs. for the same period of 1972. Imports now account for about a fourth of the fresh tomatoes consumed each year in the United States. Florida growers are the most affected by this competition since they ship at the same time. California ends its shipping late in the fall and does not resume until June.

Imports of other fresh vegetables made sizable increases in 1973. Onion imports January through June 1973, reached 127 million lbs. compared with 46 million a year earlier. Most came from Mexico, but Canada and several other countries also shipped. The timing of the early spring Texas crop and the domestic storage stocks play a large part in



determining the incoming volume. Mexican shipments to the U.S. usually peak in March, filling in the gap between old and new domestic crops. This year we ran out of onions, and the 106 million lbs. from Mexico still were not enough to fill the gap. Storage stocks were exhausted by the end of March and the Texas crop was delayed.

Cucumber and pepper imports from Mexico were also substantially larger this season. Cantaloup and watermelon shipments were each about the same as in 1972, at 3/4 lb. per person. We consume about 22 lbs. of watermelons and cantaloups per person per year.

Vegetable imports in 1973/74 may not match the increases of 1972/73. One such item is onions, whose January-July import total this year was more than double the entire 1972 quantity. Shipments of tomatoes from Mexico can be expected to increase in view of the present indication of less Florida acreage this winter. Next winter, U.S. consumers can expect continued imports of cucumbers and green peppers from Mexico. Cucumber imports from Mexico this year were up about 15 percent over 1972; green peppers, 40 percent.

Prospects for leading items

Onions

Summer onion production, estimated 3 percent above last year at 20.7 million cwt., may satisfy normal trade demands through next winter. Output is up despite expectations of moderately reduced yields. A slight increase in storage type onion production is expected from California—an advance of less than 1 percent over 1972 to 6.5 million cwt., total. In that State most of the crop is used for processing. New York, despite unfavorable weather

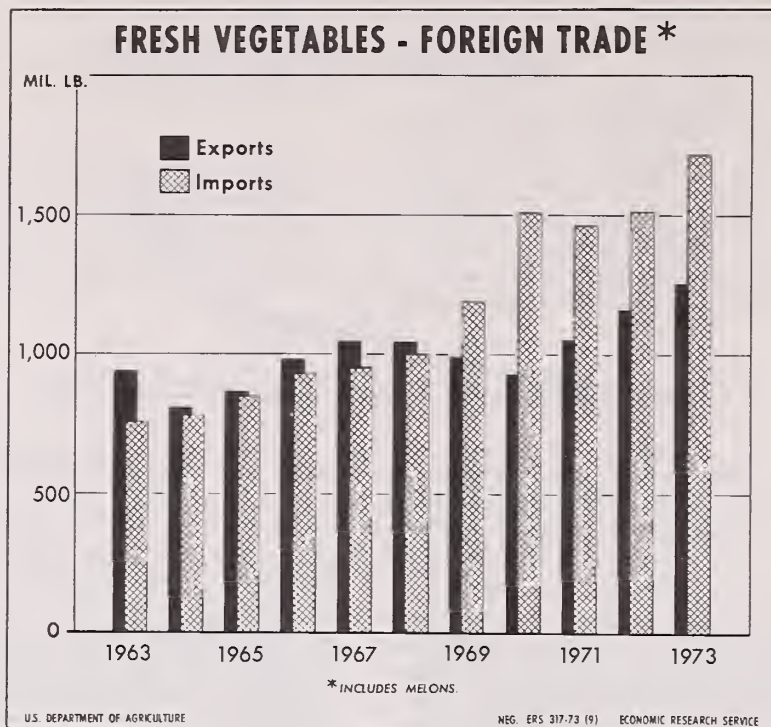
in August, will record a partial recovery from storm-damaged production levels in 1972. In western areas, Colorado anticipates total production for storage about one-fourth below 1972. However, West Oregon, Idaho, and East Oregon are looking to produce 6.1 million cwt., up almost 10 percent from a year ago.

The larger summer crops pushed f.o.b. prices lower than in 1972, with some recovery showing up in late September. This results from lighter yields showing up in later harvested fields in Idaho and Oregon. New export demand from Japan has also stimulated the market. A more normal marketing pattern is expected for the storage season now beginning. With more stable prices, Texas growers would like 21,000 acres planted, compared with 20,500 in 1972.

In September, growers averaged \$5.00/cwt. for onions, 32 percent below the same month in 1972. Shipping from Mexico in early spring 1974 may be off from 1973. The incentive for U.S. users to import is not expected to be as pronounced as in this past spring.

Cabbage

Cabbage supplies have been tight and fresh market prices to growers reflected the fact. In late September, the Western and Central New York deals for medium and large heads moved at \$4.22 for a 50-lb. sack, as against \$2.24-\$2.44 in 1972. Since March 1973, grower prices have been 50-100 percent above last year. These near record prices have stayed in place when total shipments to major markets through August totaled only slightly below a year ago. But recently, increased shipments have pushed total unloads slightly ahead of last year and contributed to some easing in prices. Danish type prices from Western New York were \$3.22-\$3.40 in early October.



Total spring and summer production of cabbage was indicated 3 percent larger this year. Late summer unloads to key markets were up better than 3 percent from 1972.

Recent cabbage price strength has been due in part to a reduction of crop by black leg infestation in some Great Lakes areas. Another significant influence is consumer and restaurant substitution of cabbage for lettuce during times when lettuce was unusually high priced.

Strong 1972/73 winter prices might have been expected to prompt a larger acreage for the entire 1973 cabbage marketing season than was actually planted. For example, acreage response in the spring of 1973 to the high prices late in 1972 was moderate - 9 percent over the year before.

Markets in the fall producing States are expected to continue firm to strong, despite estimated fresh and processed production at 8.3 million cwt., up from 1972's 7.1 million cwt. Currently, prices appear high enough to encourage Texas and Florida growers to expand their winter cabbage production.

Carrots

Carrot prices are running about even with the beginning of fall 1972. In early October, Michigan and California growers were receiving \$4.50-\$4.60 for a 48-bag master container of carrots.

Total 1973 shipments through August were slightly higher than last year, but late August and September movement of carrots through major terminals was off

2 percent from 1972. With California fall acreage at 120 percent of a year ago, prices to the trade can be expected moderately lower compared with 1972 if yields turn out to be average.

Celery

At the opening of the fall marketing season, f.o.b. prices for California celery were 6 percent below 1972 and down more than one-third from early August peaks. A 2-3 dozen crate at Salinas was bringing about \$2.45, compared with prices of \$2.60 in 1972.

During the summer, celery unloads in metropolitan area markets were down 4 percent. A labor-management dispute in Salinas choked off supplies during that period, resulting in high prices. New York, Michigan, and other California producers benefited from these trade disruptions.

As volume increases seasonally in the late fall, prices can be expected to be even with or moderately lower than 1972. Acreage growing in Florida on October 1 was 6 percent smaller than 1972/73. However, the total California acreage on October 1 was up 14 percent. The acreage in both States, transplanted and seeded, is set at 11,585 acres, up 9 percent.

Lettuce

Unloads of lettuce, as reported from 41 major city destinations, are running about even with last year. Ample supplies in late summer tended to keep retail

prices at more usual levels than the higher prices during occasional harvest/shipping disruptions in May and August. By early October grower prices slipped further as rail car shortage aggravated a temporarily heavy harvest volume. Fall lettuce production is estimated 5 percent above a year ago.

Tomatoes

From mid-August through the beginning of October, deliveries of tomatoes at 41 key city terminals increased 3 percent above the volume reported in 1972. As a result, the September farm price for tomatoes retreated substantially from summer peaks.

Other markets benefited from delays in California output. For example, the Western North Carolina deal had early season prices of about \$5.00 for a 20-lb. carton of breakers and ripers medium size. However, by the final week of August, when California-origin unloads in key terminals were up 8 percent over the comparable 1972 week, prices nationwide had weakened. Then the identical North Carolina carton was then receiving just \$2.20. Late September prices advanced to \$2.95, as California became about the only major source of supply.

For the fall, we can expect seasonal availability and prices for tomatoes to follow the fortunes of the Florida harvest, which will be opening fully about the second week of November. Florida acreage set for harvest in 1973/74 (as reported October 2) shows a total of 13,100 acres, down from 1972's comparable position of 19,100 acres. California acreage is 13,200 up almost 4,000 acres from 1972. Prospects for volume fall marketings are good. Mexican planting data are not available, but shipments would be conditioned by market activity in Florida this winter. Mexico's shipments could further expand in January-April 1974 over 1973.

PROCESSED VEGETABLES

1973/74 Supplies and Prices

Contrary to earlier expectations processed vegetable supplies for the new marketing season are likely to be only slightly larger than the moderately tight supply available during 1972. Acreage for harvest of 8 leading processing vegetables was 10 percent larger, but yields of peas and tomatoes turned out less than last season. Tomato tonnage which accounts for roughly half of the processed vegetable crop is only 4 percent above a year ago despite a 14 percent larger acreage. This gives a total processing vegetable crop of 10 million tons for 7 important crops, 6 percent more than 1972. The resulting moderately larger pack, added to a small carryover, means only a slightly larger supply of processed vegetables for 1973/74.

Because more liberal cost pass-throughs have been allowed since September 10, prices of processed vegetables are likely to rise more in the new season than in the one just past. The industry was reluctant to plan larger 1973 packs unless there was some way to pass on increased operating costs. Price restrictions in late 1972 and much of 1973 tended to hold down the rate of price rise for many processed vegetables. At the same time fresh vegetable prices had moved sharply higher, making processed items a better buy for the consumer. This difference, no doubt, stimulated processed vegetable movement, and in addition, some consumers must have stocked up, sensing that prices later on would increase. High meat prices, and the need to stretch family food budgets, also favored heavy use of processed vegetables. Consumer demand for processed vegetables can be expected to continue unusually strong, exerting upward pressure on prices. However, wholesale prices for individual processed vegetable items usually move in small steps even when supplies of a single item turn out to be very tight. This indicates that wholesalers, retailers, and consumers can switch to more plentiful competing vegetables. Under freely competitive conditions prices are much more likely to move up rapidly when total processed vegetable supplies become short. The new marketing season suggests a year of slightly larger total supplies, but strong upward price pressure because of increasing consumer demands.

Other unusual circumstances have affected the marketing of processed vegetables in recent weeks. One is multilevel prices for the same grade and quality of product. Many identical products have been sold for a wide range of prices in recent weeks because each packer or wholesaler had to set his price on the basis of production costs plus allowable pass-throughs—not by what the usual market forces would dictate. These price differences will tend to diminish as the new season progresses and as the lowest priced goods move into the market.

Packers may not be inclined to sell for prices lower than allowable during 1973/74 because they may be required to make substantial price inducements to growers when they contract acreage next March and April for the 1974 plantings. One reason is the strong continuing demand for the major field crops. For many growers, especially in the Midwest and to a lesser extent in the mid-Atlantic area, processing crops must bring sharply increased returns per acre to compete with corn and soybean crops.

Slightly Larger Canned Vegetable Supplies

The total supply of canned vegetables is expected to be only slightly larger than the reduced 1972 pack and moderately smaller than in 1971. This estimate includes lima and snap beans, beets, sauerkraut, corn, peas, pickles, peeled tomatoes, tomato juice, and

Table 1.—Acreage and production of commercial vegetables for processing

Crop	Planted acreage			Production		
	1971	1972	1973 ¹	1971	1972	1973 ²
	1,000 acres	1,000 acres	1,000 acres	1,000 tons	1,000 tons	1,000 tons
Green lima beans	74.1	77.4	83.8	80.6	90.7	96.6
Snap beans	251.4	278.6	321.1	596.6	613.3	738.2
Beets	14.1	15.2	18.5	189.8	163.8	208.8
Sweet corn	443.9	470.2	481.8	2,047.2	2,114.2	2,287.1
Green peas	410.3	404.6	426.5	520.4	512.0	492.8
Spinach (winter and spring) ..	22.3	23.9	23.0	143.7	138.4	145.0
Tomatoes	256.9	272.5	299.9	5,488.6	5,774.7	5,992.4
Total with production ³	1,472.9	1,542.5	1,654.7	9,067.0	9,407.0	9,960.8
Asparagus	84.5	87.3	(⁴)	97.9	98.4	(⁴)
Cabbage for kraut	11.9	11.5	(⁴)	235.0	198.1	(⁴)
Cucumbers for pickles (spring and summer)	132.9	134.5	131.7	559.0	563.2	(⁵)
(fall)	1.6	1.5	(⁵)	4.0	8.0	(⁵)
Spinach (fall)	7.8	7.7	(⁵)	16.4	23.7	(⁵)
Total 11 vegetables ³	1,711.6	1,785.1	---	9,979.2	10,298.4	---

¹ Preliminary. ² Indicated. ³ May not add to total due to rounding. ⁴ Will be available December 19. ⁵ Will be available November 15.

tomato puree. This does not include prospective supplies of catsup, tomato paste and sauce for which only incomplete data are reported.

The carryover of canned vegetables into 1973/74 was undoubtedly the smallest in recent history. Packs in 1973 will likely be large enough to bring the total supply of canned vegetables to levels slightly higher than in the season just ended. This would support a disappearance equal to the quantity moved in 1972/73, though some industry observers would claim this would leave too thin a margin of supply. On the other hand, some feel the industry has recently been doing a better job of inventory control, and smaller carryovers are acceptable. Some items (tomato products, sauerkraut, beets, and lima beans) were in very short supply the last part of the season, and prorating of orders was common practice. Unless an even closer balance between the 1973 pack and trade needs can be reached in 1973/74, comparable shortages are likely to occur.

A Moderately Larger Frozen Pack Expected

The aggregate supply of 7 major frozen vegetables, excluding potatoes, is expected to be moderately larger than a year ago. Carryover stocks of lima and snap beans, corn, peas, carrots, broccoli, and spinach were even less than the small carryover of the summer of 1972 and sharply less than 1971. Larger packs of snap beans and sweet corn are expected to boost supplies above last year, and the 1973 pack of frozen peas has turned out to be 12 percent larger than last year. Increases in both types of limas may not be large enough to ease the moderately tight

supply position of 1972/73. The 1973 spring pack of frozen spinach was 136.5 million lbs.

The prospective supply of frozen vegetables in 1973/74 is not likely to be as tight as for canned. This would encourage an increased rate of frozen disappearance over last season simply because supplies will be relatively more plentiful.

Excluding potatoes, stocks of frozen vegetables on September 1 were 14 percent smaller than a year earlier. Data for that month include both old and new packs. New packs of peas and some broccoli and snap beans would be included, but substantial quantities of sweet corn and lima beans are added during September. Stocks on November 1 will tell more about 1973/74 supplies.

Prospects for Leading Vegetables

Peas

The 1973 pack of canned peas evidently was less than the two other most recent years, creating an available supply roughly equal to that of last year. When Stage B Phase 4 was announced effective September 10, wholesale prices advanced 15-25¢ per case, reflecting higher packing costs incurred in making the 1973 pack. Prices for Midwest sweets were quoted \$4.48 per case 24/303's, up 7 percent from October 1972. For the second consecutive season, the reduced stocks of frozen peas and the moderately tight total supply picture may help maintain the movement of canned peas this season.

The preliminary pack of frozen peas was 12 percent more this season. A larger pack came from the Pacific Northwest despite dry weather and low yields in that

important region. Damage was most severe in Oregon. But, stocks of frozen peas on September 1 were 7 percent below a year earlier and a fifth smaller than September 1971. Due in large measure to CLC price restrictions, list prices have risen only moderately, and selling prices are at several levels. Deliveries are being prorated among buyers.

Snap Beans

The total crop for processing is expected to be a whopping 20 percent more than last year and about a fourth more than 1971. Sharp production gains are expected in major producing States—New York, Wisconsin and Oregon. Record acreages were planted and yield prospects are generally good though not at record levels.

The pack and supply of canned beans for 1972/73 were short of potential demand based on 1971/72 disappearance. Cannery carryover into the new pack season was the smallest in years. Supplies of canned beans in 1973/74 will be substantially larger, and probably will attain record volume. Nonetheless, the active demand for processed vegetables and the tight supply of competing products have kept list prices firm at levels moderately higher than a year earlier. A limited purchase of canned beans was recently made by the USDA for child nutrition and family distribution programs. None was purchased from the 1972 pack.

A larger pack of frozen snap beans, plus the larger carryover, will boost 1973/74 supplies of this popular item. September 1 stocks, which partially reflect new additions to supply, were 9 percent smaller than a year earlier. Wholesale prices are firm, and are expected to remain so. The 2.6 million lbs. purchased by the Department for child nutrition and family distribution represented the first government purchase of this commodity.

Sweet Corn

Tonnage of sweet corn is expected to be 8 percent larger than a year ago with frozen products accounting for much of the gain. In the Midwest, where canning is important, the expected tonnage estimate is up 3 percent, but in the Pacific Northwest where freezing dominates, the tonnage estimates is up about a fifth.

The 56 million case disappearance of canned corn exceeded the 2 previous seasons, but it probably was slightly restricted because the total supply available was slightly less than in 1971/72. This pushed the canners' carryover into 1973 down to 3.2 million cases, the smallest since 1967. This small carryover, plus the prospect of only a moderately larger pack, suggests a tight balance between supply and disappearance in the 1973/74 marketing period.

Prices advanced about 20-25¢ per case during August and September.

Although the carryover of frozen sweet corn was larger than last year's unusually low 33 million lbs., the larger pack expected this season is not likely to prove burdensome. Current wholesale list prices are moderately higher than a year earlier. September 1 stocks, which include some new supplies, were 14 percent smaller than a year ago. November stocks data to be released on November 15 will provide a more accurate measure of the frozen corn supply. By that time, the 1973 pack will be complete.

Tomatoes

Raw product tonnage of tomatoes for processing, although up 4 percent from last year at 5.8 million tons, is turning out to be tight in relation to demand this year. The key California output, 80 percent of the U.S. total, is estimated at 4.8 million tons, over 6 percent higher than last year. However, production in other commercial States is expected to be down 6 percent. Processors have scoured the Northeast for all available tomatoes, and even then the pack from that area, while probably larger than 1972, still was not up to 1971 levels.

This year, the increase in California output is not large enough to satisfy processors' requirements. Packers are looking for any additional raw tonnage—and at farm prices 15-20 percent above 1972.

Carryover of canned tomato products is sharply lower than a year ago. For example, tomato juice in canners' and distributors' hands on July 1 was just 52 percent of the 1972 level. Supplies of canned tomatoes, juice, and puree in the 1973/74 marketing season will remain on the tight side.

The low carryover position combined with only a moderate increase in processing activity in 1973 have already been partially reflected in increased prices. With raw product costs passed through by processors, trade demand will likely enforce higher prices for most tomato products in 1973/74.

Imports to the U.S. of canned tomatoes and canned paste last season were 254 million pounds, up slightly from 245 million pounds the previous season. Several factors have held back more rapid growth in total canned tomato imports. The devaluations of the U.S. dollar in 1971 and 1973 have required higher dollar outlays (for the same tonnage) by U.S. customers. Further, brisk processor demand in the European Community itself—especially the United Kingdom has required expanded shipments from tomato-producing regions in the Mediterranean. Some U.S. packer, have been traditionally assisted by adequate imports of certain specialty lines. This year these processors have had more incentive to seek added raw tonnage from domestic sources.

Lima Beans

Lima bean tonnage for canning and freezing is 97,000 tons, up 7 percent from last year and a fifth more than 1971. Yields are about the same as a year ago, although a later than usual harvest in California is expected to reduce prospects there. Most production gains are scattered in the minor producing States. Delaware tonnage is indicated the same as a year ago.

A larger canned lima bean pack this season, fully utilizing this estimated 7 percent larger tonnage, will be needed to replenish the thin stocks remaining. The carryover of canned styles into 1973/74 is less than half the year-ago level. A larger canned pack would not be expected to depress prices in 1973/74.

The carryover of frozen Fordhook and baby limas was only 21.9 million lbs. - down 10 percent from 1972 and less than half the quantity on hand the previous season. The moderately larger tonnage expected probably will bring total supplies slightly above last season. Prices should remain firm through the new marketing season just underway.

Beets

Acreage of beets for canning is up 31 percent from 1972, and estimated production is up about one-fourth, enabling canners to more normally supply trade needs. Disappearance of beets last season was down by roughly 5 percent compared with the year before. Cannery July 1 carryover was less than a million cases (basis 24/303's), only 38 percent of the comparable 1972 level. The low carryover indicates that suppliers have been reasonably successful in maintaining normal season shipments. Nevertheless, stocks need to be replenished and this would seem to be the likely action of canners and distributors in 1973/74. Wholesale list prices for sliced and diced styles, all can sizes, are fully 10 percent above September 1972, and are anticipated to be maintained in the new marketing season for canned beets.

Sauerkraut

A lower total supply of sauerkraut this past season coupled with sturdy demand, sharply reduced the carryover by the end of summer 1973. Wholesale list prices of retail size cans at the opening of the 1973 fall pack season are about 30 percent above 1972. Prices of \$4.15-4.35 per case 24/303's compared with \$3.35-\$3.45 in October 1972. Supplies for 1973/74 will advance moderately from this past year but will not reestablish the levels of 2 years ago. Processors have been actively seeking additional tonnage from the limited supply not under contract. In 1972/73, disappearance of sauerkraut was off 10-15 percent compared with a year earlier, chiefly the result of tight supplies. However, a more normal pattern of use

can be expected in 1973/74 with institutional and retail prices maintained at moderately higher levels than 1972/73.

Spinach

The spring 1973 pack of spinach was larger than 1972, reflecting a production advance estimated at 16 percent. Moving into the 1973/74 season, the trade had 82 million pounds of frozen spinach on September 1 and 4.7 million cases of canned spinach on August 1. These inventories, assisted by the late 1973 pack, should be adequate to satisfy the expected disappearance of both frozen and canned spinach. Supplies and use seem to be in reasonable balance suggesting stable prices for 1973/74.

Pickles

With a 4 percent larger acreage and with average yields, the spring and summer output would be larger than a year ago. U.S. pickle stocks to be reported November 15 probably will not show excessive supplies, since demand has been well sustained in recent months.

POTATOES

Fall potato production which accounts for five-sixths of the U.S. output is 2 percent more than 1972. Most of the gain in 1973 has come in States where Russet types are important. Russet production will be moderately above last year's crop which was not a large one.

In the East, production is down 2 percent, with Maine production sharply less due to poor yields. Gains occurred in Upstate New York and Pennsylvania where tropical storm Agnes caused much damage to river bottom fields last year.

There was a 3 percent gain in the Central States production. Most of this increase came from North Dakota, while other States remained relatively unchanged.

The Western States except to harvest only a 3 percent larger tonnage this year, as yield prospects declined during September, and fell below a year ago. These States had increased their 1973 plantings by 5 percent. Crops in Idaho are barely larger, but sharply more is expected in Washington.

The first estimate of the 1973 Canadian crop is 7 percent larger than the first production estimate of a year earlier. But the current figure is 2 percent shy of the final Canadian figure reported. Potato trade with Canada does not always reflect relative supply positions in each country, and it usually accounts for less than 1 percent of our total supply. However, we do export larger quantities to Canada when their crops turn out short.

Table 2.— Fall potatoes: Production by areas,
United States

Year	Eastern States	Central States	Western States	Fall total ¹
	Million cwt.	Million cwt.	Million cwt.	Million cwt.
1967	69	54	121	244
1968	65	54	115	235
1969	63	56	133	253
1970	65	57	146	268
1971	64	62	140	267
1972	51	55	142	249
1973 ²	50	57	146	253

¹ May not add to total due to rounding. ² Indicated as of October 1. ³ Production for 9 States included prior to 1969.

Data from Crop Production, SRS, USDA, annual and monthly reports.

More Favorable Prices Expected

Despite a much larger 1973 crop, fourth quarter potato prices are expected to show seasonal decline but remain well above the average of most recent years, and probably above 1972. With the largest gains in the crop coming from the Pacific Northwest, grower prices may be expected to show less rise than in Maine. This also occurred in the 1972 crop year.

This would mean unequal price increases two years in a row, giving an important price advantage to processing plants located in the West. Eastern processing plants again will be obliged to pay relatively more for any open market purchases they make this season.

POTATOES-Grower Prices-Crops of 1971
and 1972

	January 1972	January 1973
	Dollars	Dollars
Maine	1.70	3.55
North Dakota	1.20	3.00
Idaho	1.50	2.30
U.S. average	1.84	3.14

An Active Market Demand This Season

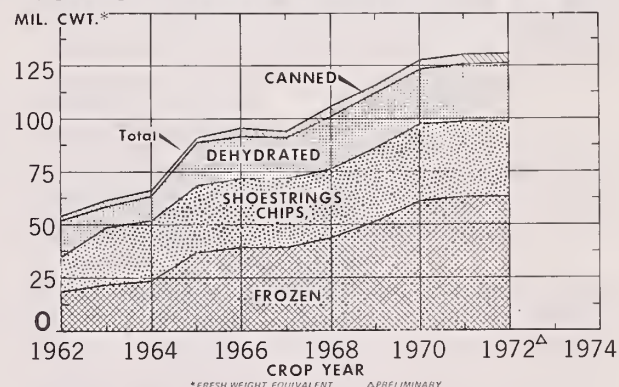
Potato prices received by growers in September were well above a year ago. Lighter supplies reaching the market this summer kept prices considerably above any levels recorded in recent years. With light supplies, prices are being maintained even while harvest activity is in full swing. In addition to the relatively light supply on table stock markets in recent weeks, processing demand has been exceptionally strong. Chippers are again active purchasers now that additional cost pass-throughs are allowed. Freezing plants began on schedule using raw product from prior contracts and from their own

acreage. Many freezers will be purchasing additional tonnage in the open market to meet their needs. These will be relatively costly this season in view of the strong demand prevailing and the need to replenish depleted stocks. Frozen french fry stocks on September 1 were only 205 million lbs. - down 41 percent from a year earlier. Stocks of all frozen potato products including fries were 39 percent less. The prospect of increased prices after September 12 spurred substantial summer purchasing on the part of consumers and institutional users. Furthermore, the abnormal and unusually high price for fresh product since the early part of 1973 stimulated new buying of the frozen products. Frozen potato product prices have been held down by price regulations.

The Utilization Report on the smaller 1972 crop recently released by the Statistical Reporting Service noted a substantial decline in table stock use. Processed food use as percent of total use was about a percentage point more than the quantity used from the 1971 crop. The quantity used for frozen products was up 1 percent; dehydrated use gained nearly 3 percent; chip and canned uses both were off slightly. With a shorter crop and a strong demand for potatoes for food use in 1972/73, the starch factories had a lean year.

Looking ahead to the 1973/74 marketing season, processing uses can be expected to absorb a larger share of the crop. Further gains are most likely to be made in dehydrated and frozen products.

POTATOES USED FOR PROCESSED FOOD ITEMS



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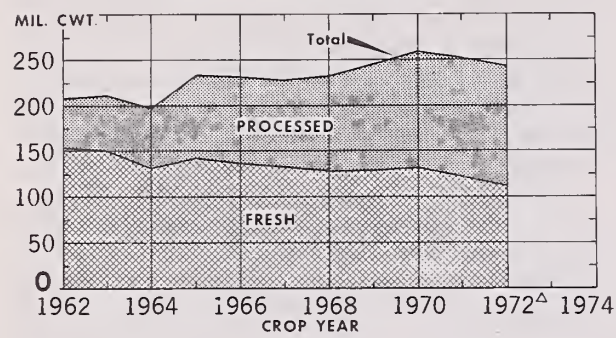
Processed Food Use Maintained in 1972/73

Despite a moderately smaller crop in 1972, the quantity of potatoes used for processing increased. Freezers used 64 million cwt. - 1 percent more tonnage than they used from the previous crop. Dehydrated use took 3 percent more, though chip and canned product needs were off. The gain in the manufacture of processed potato products attests to strong demand, both from retail and institutional sources.

One recent change may signal a trend - the quantity of potatoes used for chips has levelled off.

This may be temporary, or it may reflect the growing use of dehydrated potatoes restructured as chips. Utilization statistics for potatoes place restructured chips within the category of dehydrated processed product.

POTATOES USED FOR FOOD FRESH AND PROCESSED



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SWEETPOTATOES

The 1973 sweetpotato crop is 1 percent less than the 12.5 million cwt. produced in 1972. Total acreage was virtually the same but yield prospects declined during the past month, and moved slightly below last year. North Carolina, the leading producer, and Louisiana combined account for 56 percent of the U.S. output this year.

Canning is especially active this season as the industry is working to rebuild depleted stocks. In States where processing is important the supply picture is mixed. North Carolina and Virginia both

PACK OF CANNED SWEETPOTATOES

Season	Million cases 24/303's
1967/68	9.8
1968/69	10.8
1969/70	12.5
1970/71	9.8
1971/72	10.1
1972/73	9.5

have larger crops, but production in Louisiana is off 5 percent, and California has 2 percent less to harvest. Cannery in North Carolina have been paying \$1.75 for 30 lbs. U.S. #1 canners grade. This price exceeds last year and is sharply above most other recent seasons. The 1972/73 pack of 9.5 million cases, the smallest since 1964, was also 6 percent less than a year earlier and the remaining supply carried into 1973/74 was negligible.

Fresh market prices are also well above a year ago. Recent Louisiana quotations were \$5.38 for uncured stock, 50 lb. crates U.S. #1. This compares with \$4.32 last September.

United States Department of Agriculture has purchased 125,400 cases of 6/10's for distribution to child nutrition programs. This compares with 42,550 cases a year ago. In addition, 34,840 cases of dehydrated instant in 6/10's were bought this season, against 24,975 last year.

Table 3.—Sweetpotatoes: Production by areas, United States

Area	1967	1968	1969	1970	1971	1972 ¹	1973 ²
	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.	1,000 cwt.
Central Atlantic ³ ...	2,561	2,315	2,091	1,515	1,447	1,298	1,535
Lower Atlantic ⁴ ...	3,194	3,425	4,790	4,628	4,148	4,660	4,595
Central ⁵ ...	6,971	6,838	6,617	6,610	5,496	5,741	5,294
California	760	800	872	656	627	754	864
Total	13,486	13,378	14,370	13,409	11,718	12,453	12,288

¹ Preliminary. ² Indicated. ³ New Jersey, Maryland and Virginia. ⁴ North Carolina, South Carolina, and Georgia. ⁵ Kansas, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma, Texas, and New Mexico. Kansas, Oklahoma, and New Mexico discontinued in 1969.

Data from CROP PRODUCTION, SRS, USDA, annual and monthly reports.

MUSHROOMS

U.S. mushroom production moved up again in the 1972/73 season which ended June 30. Production rose 10 percent to 254 million lbs. As production expanded nationwide, the Pennsylvania share of the

total dropped from 61 to 57 percent. The U.S. average yield, 2.48 lbs. per square foot in 1972/73, was the best of any recent year. The value of U.S. output rose to \$110 million from \$107 million the previous year.

With larger supplies, fresh market sales volume moved up 16 percent and average prices fell 2.4¢ per

lb. to 55.5 cents for the season. The value of fresh market sales moved up to \$42.6 million. Fresh market sales accounted for about 30 percent of the entire crop.

MUSHROOM PRODUCTION, USE, AND VALUE

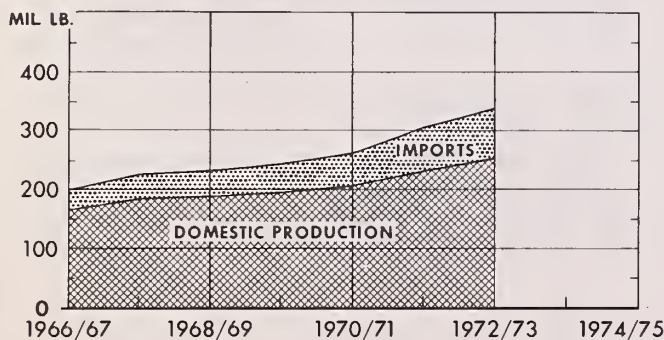
Season	Output	Processing use	Fresh market use	Farm value
	Million pounds	Million pounds	Million pounds	Million pounds
1967/68	181	133	48	61.8
1968/69	189	133	56	67.8
1969/70	194	132	62	72.7
1970/71	207	149	58	89.6
1971/72	231	165	66	106.9
1972/73	254	177	77	110.0

Processing mushroom volume rose less than in other recent seasons, reflecting in part heavy import activity between July and December 1972. Raw product use amounted to 177 million lbs., up 7 percent from last year. Growers received 38¢ per lb., 3½¢ per lb., 3¼¢ less this year, for processing stock. The total value of product used for processing was off 2 percent at \$67 million.

Canned imports from Taiwan and South Korea also increased this past season, rising 21 percent to 48 million lbs.

With these increases in domestic fresh and processed supplies, plus the import tonnage, per capita supplies available in 1972/73 moved up to 1.6 lbs. per person. The record represents consecutive increases each year since the first official estimates were made in 1965/66. The data are expressed in terms of per capita supplies available for use - not necessarily what was actually consumed in the past year. If beginning and ending stocks data were calculated, it then would be possible to calculate per capita consumption. Trade data are not available.

TOTAL MUSHROOM SUPPLY*



* FRESH EQUIVALENT BASIS.

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but industry sources indicate that the canned carryover into the new season was much larger than

last year. Therefore, per capita use is something less than per capita supply.

U.S. growers intend to increase 1973/74 production area by 11 percent. In Pennsylvania, where processing activity is important, growers expect to add 10 percent more square footage of bed space. With retail movement of canned mushrooms temporarily reduced by public apprehension about product safety, it is possible that canning activity may slow in order to permit inventory reduction. Grower prices are expected to weaken if import volume is as much as last year, but may hold up if imports decline.

DRY EDIBLE BEANS

Supplies of dry edible beans in 1973/74 are substantially smaller than a year ago. The U.S. crop is 16.3 million cwt., off 10 percent, and the estimated carryover of old crop beans is the smallest in years. A total supply of about 17 million cwt. compares with the moderate supply of 19.2 million cwt. for the 1972/73 season. A drop of 21 percent in Michigan pea bean production is largely responsible. Acreage is down in Idaho and Washington. Yields are lower in Nebraska, where great northern beans are important. In other major producing sections, slight or moderate production gains are expected. These include Colorado with its pintos and both types of limas in California, although other classes in that State promise to be less. New York acreage is only slightly larger than the reduced 1972 figure. Near average yields will bring the total crop above 1972, but well below most other recent seasons. Larger crops are also expected in Minnesota and North Dakota.

Outlook by Classes

Although estimates of production by classes will not be available until mid-January, the estimated production by states and the importance of various classes by states provides some basis for discussing the outlook for major classes.

The relatively short pea bean crop puts a serious crimp in the total bean supply. It is questionable whether a larger total crop in Nebraska where great northern beans dominate would offset production of this class in other States. For example, in Idaho and Wyoming, smaller total crops are expected. Also the red kidney crop probably may well be short of usual market needs since this class is largely grown in Michigan, New York, and California, places where crops are either smaller, or not enough more to affect the total. Pinto production could turn out about the same as a year earlier, assuming that gains in total production in Colorado and North Dakota are reflected in larger pinto production as well.

Market Review and Prospects

Grower prices in 1972/73 started out below the

Table 4.—Dry edible beans: Production by areas, United States¹

Year	Michigan	New York	Northwest ²	Southwest ³	California	U.S. total ⁴
	Million cwt.	Million cwt.	Million cwt.	Million cwt.	Million cwt.	Million cwt.
1966	8.0	1.3	5.3	2.1	3.2	20.0
1967	5.3	1.1	4.1	2.1	2.6	15.2
1968	6.3	.9	4.6	2.3	3.3	17.4
1969	8.1	.9	4.8	2.2	2.9	18.9
1970	6.1	.7	5.5	2.3	2.7	17.4
1971	5.6	.8	5.4	2.0	2.1	15.9
1972 ⁵	7.3	.3	6.2	1.7	2.5	18.0
1973 ⁶	5.8	.4	5.7	1.9	2.5	16.3

¹ Cleaned basis. ² Minnesota, North Dakota, Nebraska, Montana, Idaho, Wyoming, and Washington. ³ Kansas, Colorado, New Mexico, and Utah. ⁴ May not add to total due to rounding. ⁵ Preliminary. ⁶ Indicated.

Data from CROP PRODUCTION, SRS, USDA, annual and monthly reports.

previous season, but in May, the average moved a tenth above May 1972. Since then, under strong export demand in a protein-short world, prices continued to move up sharply reaching a record \$18.10 per cwt. in August. The September price was \$17.90, hardly a seasonal decline. Export volume for the season reached 4.3 million cwt., the second largest volume ever shipped. An active export season was capped by large shipments in July, more than 600,000 cwt. Half of these went to Northern Ireland and West Germany. A 29,000 cwt. shipment of pinto beans to West Germany was unusual in that Europeans usually prefer white beans rather than colored classes. This would suggest either the prospect of resale to a third country, or that European supplies were critically short. August exports of more than 400,000 cwt. were unusually large for the last month of the shipping season.

While foreign demand was booming, domestic disappearance moved up moderately. With high meat prices, demand strengthened and the usually stable retail prices moved up steadily as a result. These gains, however, were modest compared to the wholesale and grower prices.

With continued strong demand both here and abroad, the more limited 1973 crop is currently finding eager markets. Latest price quotations on all classes suggest that new crop prices have been defying the usual seasonal pattern. Prices rose during September and early October.

Although bean prices were moving up during the planting period this year, growers apparently were not impressed enough to plant larger acreages in

1973. Corn, soybeans, and other crops proved to be relatively more attractive. But, should the present prices prevail for as long as 6 months of the new marketing season, these growers might be persuaded to bring more land back to dry beans in 1974.

DRY PEAS

Supplies of dry peas will again be smaller this year. Acreage for 1973 harvest was 136,400 acres, 1 percent more than last year, but yields were off sharply in Washington and Idaho, the major producing States. Dry weather cut production there. As a result, U.S. production is estimated 1.7 million cwt. Lentil production in 1973 also was less than a year earlier. With these short supplies, grower prices have been advancing steadily, reaching \$17.10 per cwt. in September. This contrasts with \$4.53 a year earlier. As with dry beans, both domestic and export movement are expected to continue unusually active, but limited in some measure by restricted supplies. Prices are likely to hold near record highs.

Exports of peas for 1972/73 were about a fourth less than a year earlier when supplies were more generous. Lentil exports, on the other hand, were about an eighth more than the previous season's figure of 73 million lbs.

Early October prices from the leading trade source quoted greens at \$25.05 per cwt. versus \$5.00 a year ago. Yellows were \$18.35 and lentils \$26.90 with respective prices \$4.75 and \$11.00 last season.

Table 5.—Average retail price of specified fresh and canned items, by months, 1971 to date

Item and year	Jan.	Feb.	March	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
FRESH												
Onions (pound)												
1971	13.1	13.2	13.1	13.4	14.2	14.7	15.2	15.8	15.2	15.0	14.5	14.4
1972	14.5	14.7	14.4	14.7	15.4	16.8	20.3	21.3	21.6	19.3	19.3	19.7
1973	20.3	24.0	28.9	34.5	41.6	27.8	24.1	23.4				
Cabbage (pound)												
1971	12.3	13.4	13.2	14.0	14.3	15.3	14.0	12.0	11.3	11.6	12.4	17.3
1972	16.0	15.8	14.6	13.8	14.7	13.7	13.5	13.1	13.6	13.9	13.7	13.8
1973	14.4	14.7	18.3	18.4	21.5	17.9	18.4	19.4				
Celery (pound)												
1971	17.9	17.8	17.5	17.6	17.6	19.9	20.1	20.6	18.3	18.3	21.2	26.5
1972	28.7	28.3	27.0	20.6	24.4	22.2	23.0	20.5	21.6	22.1	22.0	22.3
1973	24.3	24.1	23.9	21.7	24.1	23.8	26.1	31.7				
Lettuce (head)												
1971	29.2	29.9	32.7	30.2	34.5	32.1	34.3	34.0	30.5	33.8	40.2	47.4
1972	36.6	41.6	29.1	31.5	29.9	33.1	30.3	31.4	32.6	34.4	37.9	40.9
1973	39.0	36.4	36.6	43.9	45.2	61.0	51.6	50.6				
Tomatoes (pound)												
1971	41.8	46.2	48.9	52.1	53.9	45.1	54.5	43.1	33.7	37.4	43.0	59.7
1972	50.7	49.7	39.8	46.1	47.7	54.7	46.0	42.7	38.8	41.1	52.4	51.6
1973	58.0	51.8	48.9	47.2	44.8	48.3	57.0	50.1				
CANNED												
Peas (No. 303 can)												
1971	25.9	25.9	26.1	26.4	26.3	26.0	26.4	26.5	26.5	26.3	26.5	26.7
1972	26.6	26.6	26.5	26.6	26.3	26.3	26.4	26.2	26.5	26.2	26.4	26.3
1973	26.3	26.4	26.7	26.9	26.7	26.9	26.9	27.0				
Tomatoes (No. 303 can)												
1971	22.5	22.5	22.5	22.6	22.5	22.6	22.7	22.7	22.8	22.6	22.6	22.4
1972	22.5	22.6	22.6	22.6	22.6	22.6	22.6	22.9	23.1	23.1	23.2	23.4
1973	23.4	23.8	23.9	24.2	24.4	24.5	24.7	24.8				
POTATOES												
Tablestock (10 lbs.)												
1971	81.7	81.3	82.1	83.8	85.5	99.5	98.1	93.5	84.2	81.4	80.7	82.3
1972	82.5	83.9	84.4	83.1	83.2	90.6	104.6	108.4	97.7	94.3	99.0	99.8
1973	103.4	111.1	119.3	124.7	134.2	164.8	181.2	183.9				
Frozen French												
Fries (9 oz. pkg.)												
1971	16.3	16.4	16.4	16.3	16.3	16.3	16.4	16.4	16.3	16.3	16.0	16.2
1972	16.3	16.5	16.6	16.6	16.6	16.6	16.6	16.7	16.8	16.7	16.7	16.8
1973	16.8	16.7	16.8	16.9	17.0	17.1	17.1	17.1				
Inst. Mashed												
(7 oz. pkg.)												
1971	39.4	39.6	39.7	39.6	39.8	40.5	40.8	40.6	40.0	40.0	40.2	40.2
1972	40.5	40.7	40.8	40.4	40.7	40.8	40.5	40.6	40.8	40.7	40.8	41.0
1973	40.8	41.0	41.8	42.5	42.8	43.1	43.0	42.9				

Retail prices, Bureau of Labor Statistics, U.S. Department of Labor.

Table 6.—Vegetables and melons for fresh market: Commercial acreage and production of principal crops, selected seasons, 1971, 1972, and indicated 1973

Seasonal group and crop	Acreage for harvest				Production			
	1971	1972	1973		1971	1972	1973	
			Indi- cated	Percent- age of 1972			Indi ¹ cated	Percent- age of 1972
	1,000 acres	1,000 acres	1,000 acres	Percent	1,000 cwt.	1,000 cwt.	1,000 cwt.	Percent
Winter	177.0	194.1	180.5	93	28,942	31,096	30,758	99
Spring	368.2	395.7	359.5	91	51,985	54,623	53,574	98
Summer	601.6	578.7	606.9	105	74,784	72,571	74,045	102
Fall: ²								
Beans, snap	15.5	18.5	17.3	94	599	654	658	101
Broccoli ³	11.7	11.7	16.2	138	748	752	1,089	145
Cabbage ³	30.9	29.1	32.6	112	8,104	7,024	8,333	119
Cantaloups	4.6	4.8	2.7	56	511	477	284	60
Carrots ³	21.3	21.0	25.3	120	6,296	6,166	7,426	120
Cauliflower ³	11.0	11.1	11.3	102	1,097	1,192	1,168	98
Celery ³	9.2	10.0	10.4	104	4,360	4,986	5,113	103
Corn, sweet	17.6	19.5	17.4	89	1,021	1,474	1,148	78
Cucumbers	11.9	13.5	12.1	90	1,172	1,328	1,137	86
Eggplant6	.8	.6	75	96	124	109	88
Escarole	2.2	2.1	2.1	100	250	256	253	99
Honeydew melons7	.8	.5	62	122	153	87	57
Lettuce	53.6	59.7	64.4	108	10,751	12,126	12,687	105
Peppers, green ³	11.0	11.2	10.6	95	1,155	1,355	1,155	85
Spinach	2.4	2.1	2.5	119	125	125	135	108
Tomatoes	27.2	29.3	27.5	94	3,971	4,373	4,208	96
Total fall to date ⁴	231.2	245.3	253.5	103	40,376	42,565	44,990	106
Total acreage and production reported to date	1,378.0	1,413.8	1,400.4	99	196,087	200,855	203,367	101

¹ Based on average yield per acre. ² October, November, and December. ³ Includes fresh market and processing. ⁴ May not add due to rounding. Vegetables-Fresh Market, SRS, USDA, issued monthly.

Table 7.—Vegetables, fresh: Representative prices (l.c.l. sales) at New York and Chicago for stock of generally good quality and condition (U.S. No. 1 when available), indicated periods 1972 and 1973

Market and commodity	State of origin	Unit	Tuesday			
			1972		1973	
			Sept. 12	Oct. 10	Sept. 11	Oct. 2
			Dol.	Dol.	Dol.	Dol.
New York						
Beans, snap, green	New Jersey	Bu. bskt.	3.50	4.75	4.00	6.25
Harvesters		14's, crt.	4.375	3.875	---	5.75
Broccoli	California	Various crates	3.50	2.25	5.00	3.75
Cabbage, domestic round type		Jumbo crt. 36's	12.00	9.00	11.00	7.00
Cantaloups	California	48 1-lb. film	6.00	6.50	5.50	7.25
Carrots, topped washed		bag, ctn.	3.75	3.00	3.75	---
Cauliflower	Long Island	Crt. 12's	5.50	3.00	4.50	4.00
Celery, Pascal	New York	2-3 doz.	8.00	5.50	6.50	6.00
Celery, Pascal	California	2-3 doz.	---	4.25	---	---
Cucumbers	South Carolina	Bu. bskt.	3.125	3.125	4.125	5.00
Corn, sweet	New York	5 doz. crate	5.50	4.25	5.75	4.25
Lettuce, Iceberg	California	2-doz. ctn.	4.50	4.10	3.50	4.15
Onions, yellow Spanish large	Idaho-Oregon	50 lb. sack	---	4.65	---	4.25
Onions, yellow globe, medium	New York	50 lb. sack	---	3.25	---	---
Spinach, savoy	New Jersey	Bu. bskt.				
Chicago						
Beans, snap, green various varieties	Illinois	Bu. hamper	4.25	---	5.25	5.75
Broccoli		14's crt.	4.65	4.50	---	5.15
Cabbage, domestic round type	Illinois	Various crates	2.50	2.50	---	4.50
Cantaloups		Jumbo crt., 36's	11.00	7.00	---	7.50
Cauliflower	California	Ctns., film wrpd., 12's ...	5.50	5.00	---	5.25
Celery, Pascal	Michigan	2-4 doz.	7.00	4.25	4.50	4.25
Cucumbers	Illinois	Bu. bskt.	4.50	---	---	6.75
Green Peppers	Illinois	Bu. bskt., lge.	4.25	---	5.75	---
Honeydews	California	Crts., 5-8's	3.00	3.25	2.75	2.75
Lettuce, Iceberg	California	2 doz. ctn.	5.00	3.50	5.10	4.00
Onions, yellow Spanish large	Idaho-Oregon	50 lb. sack	4.00	3.85	3.50	4.15
Onions, yellow medium		50 lb. sack	4.50	3.75	3.50	3.75
Spinach, flat type	Illinois	Bu. bskt.	5.00	3.50	4.75	---
Tomatoes, green, ripens and turning, med-lge.	California	2 Lyr. Lug	---	4.00	4.00	4.35

Weekly Summary of Terminal Market Prices, A.M.S., USDA. Market News Reports.

Table 8.—Vegetables, commercial for fresh market: Index numbers (unadjusted) of prices received by farmer, 15th of the month, United States by months, 1961 to date¹

Period	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Av.
1961	74	74	76	95	83	90	81	65	65	65	76	74	76
1962	94	102	125	109	107	84	73	63	64	66	75	85	87
1963	102	95	82	83	78	88	85	65	62	70	91	94	83
1964	100	103	98	89	83	90	80	76	76	78	101	87	88
1965	80	86	101	106	121	102	85	78	78	84	90	88	92
1966	106	112	102	109	97	99	114	101	91	91	103	99	102
1967	103	99	98	108	103	121	110	86	82	88	100	103	100
1968	118	123	127	132	108	98	94	88	92	91	115	119	109
1969	107	111	109	107	121	100	100	96	94	110	144	132	111
1970	134	130	125	112	124	113	103	95	107	96	105	100	112
1971	114	123	149	140	129	127	121	104	100	118	164	137	127
1972	153	132	118	135	127	126	121	128	131	116	145	136	131
1973 ²	175	168	177	202	181	188	188	146	126				

¹ All prices reported on f.o.b. basis. ² Preliminary.

Table 9.—Vegetables for commercial processing: Harvested acreage and estimated production, annual 1971, 1972 and indicated 1973

Commodity	Harvested acreage			Production			
	1971	1972	For harvest 1973	1971	1972	Indicated 1973	1973 as percentage of 1972
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 tons</i>	<i>1,000 tons</i>	<i>1,000 tons</i>	<i>Percent</i>
Beans, lima	71.1	74.6	79.7	80.6	90.7	96.6	106
Beans, snap	240.2	255.5	302.4	596.6	613.3	738.2	120
Beets	13.7	12.7	16.7	189.8	163.8	208.8	127
Corn, sweet	423.0	428.6	460.4	2,047.2	2,114.2	2,287.1	108
Peas, green	382.9	377.7	410.2	520.4	512.0	492.8	96
Spinach (winter and spring) ...	21.2	21.0	21.2	143.7	138.4	145.0	105
Tomatoes	254.7	261.4	297.8	5,488.6	5,774.7	5,992.4	104
Total with production ¹	1,406.8	1,431.4	1,588.4	9,067.0	9,407.0	9,960.8	106
Asparagus	84.5	87.3	n.a.	97.9	98.4	n.a.	---
Cabbage for kraut	11.5	10.8	n.a.	235.0	198.1	n.a.	---
Cucumbers for pickles	127.6	128.8	n.a.	563.1	571.2	n.a.	---
Spinach (fall)	4.3	5.8	n.a.	16.4	23.7	n.a.	---
Total-10 vegetables ¹	1,634.6	1,664.1	n.a.	9,979.2	10,298.4	n.a.	---

¹ May not add to total due to rounding. n.a. - not available. Vegetable Processing, SRS, USDA, issued monthly.

Table 10.—Canned vegetables: Commercial packs 1971 and 1972 and canners' and wholesale distributors' stocks 1972 and 1973 by commodities, United States

Commodity	Pack		Stocks					
	1971	1972	Canners			Wholesale distributors ¹		
			Date	1972	1973	Date	1972	1973
	1,000 cases 24/303's	1,000 cases 24/303's		1,000 cases 24/303's	1,000 cases 24/303's		1,000 cases 24/303's	1,000 cases 24/303's
Major commodities								
Beans, snap	50,011	47,556	July 1	5,871	2,739	July 1	3,243	3,069
Beets	10,241	9,448	July 1	2,244	852	July 1	970	716
Corn, sweet	53,757	52,957	Aug. 1	6,738	3,222	July 1	3,778	3,939
Peas, green	33,197	33,081	June 1	4,896	3,630	June 1	2,570	3,993
Sauerkraut	12,687	10,697	Aug. 1	2,369	1,310	July 1	675	662
Total	159,893	153,739		22,118	11,753		11,236	12,347
Tomato items								
Tomatoes	38,367	43,301	July 1	5,677	5,640	July 1	3,638	4,067
Tomato juice ²	38,411	31,350	July 1	8,023	2,647	July 1	2,374	2,345
Total	76,778	74,651		13,700	8,287		6,012	6,412
Other commodities								
Asparagus	5,542	5,860	Mar. 1	872	1,458	Apr. 1	536	564
Beans, lima	3,116	2,116	Aug. 1	681	139	July 1	410	320
Field peas	2,742	2,637						
Carrots	5,710	5,093	July 1	1,921	1,043	July 1	661	726
Okra ³	733	587						
Pickles	63,072	63,969						
Pimientos	737	650						
Pumpkin and squash	4,581	4,064	July 1	1,626	697	July 1	393	321
Potatoes	7,849	5,022						
Sweetpotatoes	10,056	9,461						
Spinach	7,675	8,255	Mar. 1	1,412	1,792	Apr. 1	604	650
Other greens	4,443	2,776						
Vegetables, mixed	6,925	6,467						
Total comparable other items	123,181	116,957		6,512	5,129		2,604	2,581
Grand total comparable items	359,852	345,347		42,330	25,169		19,852	21,340

¹ Converted from actual cases to standard cases of 24 No. 303 cans. ² Includes combination vegetable juices containing at least 70 percent tomato juice. ³ Okra, okra and tomatoes, and okra, corn and tomatoes. n.a.-not available.

Canners' stock and pack data from the National Canners Association, unless otherwise noted. Wholesale distributors' stock from the Bureau of the Census.

Table 11.—Vegetables, frozen: United States commercial packs 1971 and 1972 and cold storage holdings, September 1, 1973 with comparisons

Commodity	Packs		Cold storage holdings		
	1971	1972	September 1 1971	September 1 1972	September 1 1973 ¹
	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>	<i>Million pounds</i>
Asparagus	30.0	33.6	17.8	31.7	27.6
Beans, lima:					
Fordhook	40.7	53.0	27.0	23.8	15.8
Baby	73.9	92.6	36.4	25.6	21.4
Total	114.6	145.6	53.4	49.4	37.2
Beans, snap:					
Regular cut	127.7	151.1	117.6	119.9	111.5
French cut	74.7	84.0	59.3	58.6	51.9
Wax	7.1	6.1	n.a.	n.a.	n.a.
Total	209.5	241.2	176.9	178.5	163.4
Broccoli	189.6	234.3	65.8	85.0	59.4
Brussels sprouts	49.2	55.8	11.0	15.9	17.4
Carrots	143.7	165.9	47.8	34.6	31.6
Cauliflower	67.7	94.1	16.9	20.7	15.3
Corn, cut	226.8	273.8	107.3	94.7	79.5
Corn-on-cob	106.9	133.1	29.0	46.7	42.1
Mixed vegetables	(³)	(³)	26.1	24.5	13.1
Onions	75.9	110.7	(³)	(³)	11.9
Peas	348.4	340.1	332.4	286.6	265.8
Peas and carrots	(³)	(³)	11.9	10.8	7.1
Pumpkin and squash	28.5	29.7	(³)	(³)	(³)
Rhubarb	11.0	12.2	(³)	(³)	(³)
Spinach	157.0	160.0	74.2	71.9	82.1
Succotash	² 9.4	---	(³)	(³)	(³)
Kale	6.6	5.6	(³)	(³)	(³)
Okra	32.2	27.9	(³)	22.0	18.2
Peas, blackeye	33.0	38.0	(³)	9.8	6.5
Turnip greens	20.2	19.4	(³)	(³)	(³)
Miscellaneous vegetables	158.4	159.7	235.4	229.0	163.2
Total	2,009.2	2,280.7	1,215.9	1,211.8	1,041.4
French Fried Potatoes	2,218.9	2,346.0	321.2	348.2	204.7
Other Frozen Potatoes	346.2	354.8	59.1	67.1	50.4
Total Frozen Potatoes ..	2,565.1	2,700.8	380.3	415.3	255.1
Grand total	4,574.3	4,981.5	1,596.2	1,627.1	1,296.5

¹ Preliminary. ² Considered as repacks and not included in total. ³ Included in miscellaneous vegetables.

N.A. - not available. Pack data from American Frozen Food Institute. Stocks from Cold Storage Report, SRS, USDA, issued

Table 12.—Vegetables, fresh: Average prices received by farmers, per cwt., United States, September 15, 1973 with comparisons

Commodity	1972		1973		
	August	September	July	August	September 1-15
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Beans, snap	16.90	12.80	19.50	16.40	15.50
Broccoli	12.70	13.60	15.40	14.70	14.10
Cabbage	4.32	4.47	7.68	6.62	7.69
Cantaloups	6.69	8.00	7.96	6.38	6.45
Carrots	5.93	7.25	9.60	7.63	7.02
Cauliflower	13.60	13.40	18.30	16.00	13.90
Celery	5.75	7.32	11.10	7.57	6.02
Corn, sweet	6.62	5.72	7.34	5.60	6.57
Cucumbers	10.50	6.86	7.99	6.12	9.13
Lettuce	5.24	6.34	8.45	6.00	6.24
Onions	8.17	6.91	7.28	6.06	5.00
Peppers, green	14.90	11.20	12.80	11.80	10.70
Spinach	16.40	16.70	16.20	16.50	16.80
Tomatoes	14.10	13.30	24.00	13.10	10.20
Watermelons	2.26	2.36	3.87	2.34	2.44

Agricultural Prices, SRS, USDA, issued monthly.

Table 13.— Fresh and Processed Vegetables: Retail price, marketing margin, and farm value per unit, sold in New York City, indicated months, 1972 and 1973

Commodity, month, and retail unit	Retail price	Marketing margin		Farm value ^{1 2}	
		Absolute	Percentage of retail value	Absolute	Percentage of retail value
	<i>Cents</i>	<i>Cents</i>	<i>Percent</i>	<i>Cents</i>	<i>Percent</i>
Fresh:					
Carrots (Pound)					
July 1973	23.3	13.6	58	9.7	42
June 1973	22.5	13.1	58	9.4	42
July 1972	19.8	12.8	65	7.0	35
Celery (Pound)					
July 1973	28.8	19.3	67	9.5	33
June 1973	24.4	17.7	73	6.7	27
July 1972	23.1	15.6	68	7.5	32
Lettuce (Head)					
July 1973	57.7	37.3	65	20.4	35
June 1973	71.4	42.3	59	29.1	41
July 1972	35.6	29.1	82	6.5	18
Onions, dry yellow (Pound)					
July 1973	24.5	17.3	71	7.2	29
June 1973	29.4	21.4	73	8.0	27
July 1972	22.9	14.1	62	8.8	38
Processed: ³					
Beets, sliced, canned (303 can)					
June 1973	26.6	25.5	96	1.1	4
March 1973	24.0	22.9	95	1.1	5
June 1972	21.2	20.1	95	1.1	5
Potatoes, F.F., Frozen (9 oz. pkg.)					
July 1973	18.0	14.6	81	3.4	19
Apr. 1973	17.8	14.4	81	3.4	19
July 1972	17.1	14.7	86	2.4	14
Sauerkraut, canned (303 can)					
June 1973	24.8	22.9	92	1.9	8
March 1973	23.2	21.3	92	1.9	8
June 1972	21.0	19.8	94	1.2	6
Tomatoes, canned (303 can)					
July 1973	26.6	23.3	88	3.3	12
Apr. 1973	26.3	23.0	87	3.3	13
July 1972	24.1	21.0	87	3.1	13

¹ For quantity of product equivalent to retail unit sold to consumers: Because of waste and spoilage during marketing, equivalent quantity exceeds retail unit. Fresh F.o.b. shipping point price, Processed: Equivalent packing housedoor returns.

² Production areas: Carrots-California, Celery-California, Lettuce-California, Onions-Texas, Canned Beets-New York, Frozen F.F. Potatoes-Maine, Canned Sauerkraut-New York, Canned Tomatoes-Eastern States. ³ Priced quarterly.

Table 14.—Potatoes Irish: Acreage, yield per acre, and production, annual 1971, and 1972 and indicated 1973

Seasonal group	Acreage			Yield per acre			Production		
	Harvested		For harvest 1973	1971	1972 ¹	Indicated 1973	1971	1972 ¹	Indicated 1973
	1971	1972 ¹							
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>Cwt.</i>	<i>Cwt.</i>	<i>Cwt.</i>	<i>Million cwt.</i>	<i>Million cwt.</i>	<i>Million cwt.</i>
Winter	18.0	15.4	14.0	172	151	204	3.1	2.3	2.9
Spring	107.3	95.8	98.0	220	219	219	23.7	21.0	21.5
Summer	145.8	130.9	124.4	178	182	165	25.9	23.8	20.5
Fall									
8 Eastern	262.0	223.9	234.0	245	230	214	64.2	51.4	50.2
8 Central	336.4	300.2	315.4	186	183	179	62.5	55.0	56.6
8 Western ...	521.8	487.6	516.9	268	292	282	140.0	142.4	146.0
Total ²	1,120.2	1,011.7	1,066.3	238	246	237	266.7	248.8	252.7
United States ² .	1,391.3	1,253.8	1,302.7	230	236	228	319.4	296.0	297.6

¹ Revised. ² May not add due to rounding. Crop Production, SRS, USDA, issued monthly.

Table 15.—Potatoes f.o.b. shipping points, per hundredweight, U.S. No. 1 grade or better, indicated periods, 1972 and 1973

Shipping point and variety	1972			1973		
	August 12	September 9	October 14	August 11	September 8	October 6
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
New Jersey Round whites	3.49	3.68	3.90	7.47	5.25	5.42
Long Island, N.Y., Round whites	3.88	3.70	4.10	7.38	5.24	5.72
Michigan Round whites	---	2.90	3.50	---	---	6.16
Minnesota Reds	4.44	2.98	---	8.70	4.00	4.30
Colorado Reds	4.78	4.25	3.25	---	5.00	---
Washington Norgolds	4.35	3.75	3.50	8.00	5.34	6.15
Washington Russets	---	4.38	3.62	---	5.66	6.22

F.O.B. prices are simple averages of the range of daily prices for the week ended on indicated date. Compiled from Market News Service reports.

Table 16.—Potatoes: U.S. average price received by farmers, per hundredweight, indicated periods, 1972 and 1973

Item	1972			1973		
	July	August	September	July	August	September
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
U.S. farm price	3.68	3.08	2.41	8.03	6.04	3.24
Parity price	3.56	3.54	3.57	4.11	4.32	4.29
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Price as percent of parity	103	87	68	195	140	76

Agricultural Prices, SRS, USDA, issued monthly.

Table 17.—Sweetpotatoes: Acreage, yield per acre, and production annual 1971, 1972, and indicated 1973

Group and State	Acreage			Yield per acre			Production		
	Harvested		For harvest 1973	1971	1972	Indicated 1973	1971	1972	Indicated 1973
	1971	1972							
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>Cwt.</i>	<i>Cwt.</i>	<i>Cwt.</i>	<i>1,000 cwt.</i>	<i>1,000 cwt.</i>	<i>1,000 cwt.</i>
Central Atlantic ¹	10.7	10.5	11.0	135	124	140	1,447	1,298	1,535
Lower Atlantic ²	32.8	34.0	34.8	126	137	132	4,148	4,660	4,595
Central ³	64.4	64.1	62.4	85	90	85	5,496	5,741	5,294
California	5.7	5.8	6.4	110	130	135	627	754	864
United States	113.6	114.4	114.6	103	109	107	11,718	12,453	12,228

¹ New Jersey, Maryland, and Virginia. ² North Carolina, South Carolina, and Georgia. ³ Tennessee, Alabama, Mississippi, Arkansas, Louisiana, and Texas.

Crop Production, SRS, USDA, issued monthly.

Table 18.— Sweetpotatoes: Prices f.o.b. shipping points and wholesale price (l.c.l. sales) at New York and Chicago, indicated periods 1972 and 1973

Item	State	Unit	Week ended			
			1972		1973	
			Sept. 9	Oct. 14	Sept. 8	Oct. 6
			<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
F.o.b. shipping points						
Porto Rico, uncured	Southern Louisiana points	U.S. no. 1 50 lb. crt.	4.32	4.32	5.38	5.38
Porto Rico, uncured	Stock, California	40-lb. ctn.	---	6.05	---	---
			Tuesday			
			1972		1973	
			Sept. 12	Oct. 10	Sept. 11	Oct. 2
			<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>	<i>Dol.</i>
Terminal markets						
New York						
Porto Rico, uncured	North Carolina	50 lb. ctn.	5.25	4.875	5.75	6.125
Chicago						
Porto Rico, uncured	Louisiana	50 lb. crt.	5.50	5.50	6.65	7.00

F.o.b. prices are simple averages of the range of daily prices, compiled from Market News Service reports. The market prices

are representative prices for Tuesday of each week and are submitted by the Market News Service representative at each market.

Table 19.— U.S. average price per hundredweight received by farmers for sweetpotatoes, dry edible beans, and dry field peas, indicated periods, 1972 and 1973

Commodity	1972			1973		
	July	August	September	July	August	September
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
Field crops:						
Sweetpotatoes	7.53	5.62	4.49	9.24	8.81	6.18
Beans, dry edible	11.50	11.20	9.35	15.50	18.10	17.90
Peas, dry field	3.92	4.57	4.53	10.30	14.50	17.10

Agricultural Prices, SRS, USDA, issued monthly.

Table 20.— Dry edible beans: Supply and disposition¹

Marketing season beginning September 1	Beginning stocks Sept.	Supplies		Utilization				
		Production	Imports ²	Total	Domestic disappear- ance	Exports ³	Total Disappear- ance	Ending stocks Aug. 31
	<i>Million cwt.</i>	<i>Million cwt.</i>	<i>Million cwt.</i>	<i>Million cwt.</i>	<i>Million cwt.</i>	<i>Million cwt.</i>	<i>Million cwt.</i>	<i>Million cwt.</i>
Average								
1950-54	5.3	15.8	.2	21.3	14.8	2.7	17.5	3.8
1955-59	1.6	17.5	.1	19.2	14.9	3.1	18.0	1.2
1960-64	1.6	18.5	.1	20.2	15.7	2.9	18.6	1.6
1965	1.2	16.5	.1	17.8	14.2	2.4	16.6	1.2
1966	1.2	20.0	.1	21.3	15.3	3.8	19.1	2.2
1967	2.2	15.2	.1	17.5	14.4	2.0	16.4	1.1
1968	1.1	17.4	.1	18.6	14.4	2.7	17.1	1.5
1969	1.5	18.9	.1	20.5	14.5	4.3	18.8	1.7
1970	1.7	17.4	.1	19.2	14.2	3.3	17.5	1.7
1971	1.7	15.9	.1	17.7	13.8	2.8	16.6	1.1
1972	1.1	18.0	.1	19.2	14.3	4.0	18.3	0.9
1973 ⁴	0.9	16.3	.1	17.3	---	---	---	---

¹ Source: SRS, Bureau of the Census and Policy and Program Appraisal Division, ASCS. ² Imports include Garbanzos and all beans for seed purposed but exclude Mung Beans. ³ Exports include Garbanzos, baked beans, all beans for seed purposes and donations to welfare agencies for foreign relief. ⁴ Preliminary.

Table 21.—Beans, dry edible: Acreage, yield per acre, and production, annual 1971, 1972 and indicated 1973¹

Group, State and classes	Acreage			Yield per acre			Production ²		
	Harvested		For harvest 1973	1971	1972	Indi- cated 1973	1971	1972	Indi- cated 1973
	1971	1972							
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>1,000 cwt.</i>	<i>1,000 cwt.</i>	<i>1,000 cwt.</i>
Michigan	570	615	600	990	1,190	1,100	5,643	7,319	5,760
New York	62	36	37	1,280	850	960	794	306	407
Northwest ³	308	372	357	1,739	1,666	1,608	5,357	6,200	5,740
Southwest ⁴	228	205	219	869	844	830	1,982	1,730	1,817
California:									
Large lima	25	26	31	1,590	1,810	1,750	398	471	543
Baby lima	22	18	20	1,820	1,760	1,840	400	317	368
Other	101	113	108	1,330	1,480	1,500	1,343	1,672	1,620
Total California	148	157	159	1,447	1,567	1,592	2,141	2,460	2,531
United States	1,316	1,385	1,372	1,209	1,301	1,185	15,917	18,015	16,255

¹ Includes beans grown for seed. ² Cleaned basis. ³ Nebraska, Montana, Idaho, Wyoming, Washington, Minnesota, and North Dakota. Kansas, Colorado, New Mexico, and Utah.

Crop Production, SRS, USDA, issued monthly.

Table 22.—Peas, dry field: Acreage, yield per acre, and production, annual 1971, 1972 and indicated 1973¹

State	Acreage			Yield per acre			Production		
	Harvested		For harvest 1973	1971	1972	Indi- cated 1973	1971	1972	Indi- cated 1973
	1971	1972							
	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>1,000 acres</i>	<i>Pounds</i>	<i>Pounds</i>	<i>Pounds</i>	<i>1,000 cwt.</i>	<i>1,000 cwt.</i>	<i>1,000 cwt.</i>
Minnesota	7	6	4	1,600	1,300	1,400	112	78	56
North Dakota ³	3	1.2	---	1,350	1,500	---	41	18	---
Idaho	78	50	48	1,897	1,500	1,250	1,480	750	600
Washington	109	74	81	2,020	1,610	1,250	2,202	1,191	1,013
Oregon	5.7	3.9	3.4	1,665	1,690	1,100	95	66	37
United States	202.7	135.1	136.4	1,939	1,557	1,251	3,930	2,103	1,706

¹ In principal commercial producing States. Includes peas grown for seed and cannery peas harvested dry. ² Cleaned basis.

³ Estimates discontinued in 1973.

Crop Production, SRS, USDA, issued monthly.

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LETTUCE PRICES, COSTS, AND MARGINS

by

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Economic Research Service
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ABSTRACT: The retail value of Iceberg lettuce sold in Chicago and New York City increased an average of 28 cents per 24-head carton each year between 1963 and 1972. The wholesale and retail margin increased 18 cents per carton per year; rail transportation costs went up 4 cents; harvesting and packing costs rose 4 cents; and grower returns rose 2 cents. The wholesaler's and retailer's share of the retail value increased slightly and the grower's share declined slightly. Other market shares changed little.

KEY WORDS: Lettuce, retail price, costs, margins, grower return.

Lettuce is probably the most popular fresh vegetable today. Most people use lettuce either as a salad vegetable or for its decorative effects with other foods. The average person in the United States consumed 22.2 pounds of lettuce in 1972, up from 19.8 pounds a decade ago. Unlike declines for most other fresh vegetables, consumption of lettuce per person has increased slowly but steadily over the past 50 years.

In addition to its popularity, lettuce is one of the most important fresh vegetables from a dollar value standpoint. The U.S. farm value of lettuce in 1972 was over \$277 million—second only to fresh tomatoes. This total represented slightly over one-fifth of the farm value of all vegetables grown for the fresh market, about the same relative share that lettuce has held during the past 10 years.

Lettuce is produced commercially in 17 States (including Hawaii). However, California and Arizona dominate, together accounting for 89 percent of all U.S. commercially produced lettuce in 1972 (table 1). That year 4.8 billion pounds of lettuce were produced nationally, 22 percent more than in 1963. During this decade production increased sharply in California and declined or remained stable in other States. California's share increased from 59 percent in 1963 to 72 percent in 1972.

Most lettuce grown in California is of the Iceberg type, commonly called head lettuce. This article presents results of an analysis of Iceberg lettuce prices, marketing margins, costs, and grower returns.

Procedures Explained

In this study lettuce was priced at two marketing levels—California shipping points and retail in Chicago and New York City. Retail prices were collected monthly by the Bureau of Labor Statistics in a sample of retail stores on Tuesday, Wednesday, and Thursday during the first week containing a Tuesday. The shipping point price used is an average of daily prices for the week preceding the retail pricing week. Shipping point prices are reported by the Federal-State Market News Service. Monthly prices are weighted by monthly carlot unloads of California lettuce in Chicago and New York City to obtain the season average price (Season: January-December).

The retail value of a carton of lettuce is the return to the retailer for salable lettuce (retail price minus 7 percent allowance for spoilage loss during the marketing process). Transportation costs are based on rail rates from Salinas, Calif. to Chicago and New

Table 1.—Lettuce: Production for fresh market, selected States and United States

Seasons	California		Arizona		Other States		Total
	Amount	Percentage of total	Amount	Percentage of total	Amount	Percentage of total	
	1,000 cwt.	Percent	1,000 cwt.	Percent	1,000 cwt.	Percent	1,000 cwt.
1963	23,170	59	9,731	25	6,427	16	39,328
1964	23,005	59	8,595	22	7,537	19	39,137
1965	23,851	58	10,098	25	6,935	17	40,884
1966	26,392	63	8,685	21	6,457	16	41,534
1967	26,330	61	8,706	20	7,930	19	42,966
1968	29,006	66	8,087	18	7,180	16	44,273
1969	28,758	64	9,148	21	6,838	15	44,744
1970	31,748	69	8,421	18	6,159	13	46,328
1971	32,443	69	8,710	18	6,272	13	47,425
1972	34,730	72	7,895	17	5,429	11	48,054

York City. Harvesting and packing costs are reported by the California Agricultural Extension Service. Grower returns are derived from shipping point prices by deducting harvesting and packing costs. The wholesale and retail margin is derived by deducting the shipping point price plus the transportation cost from the retail value. This margin represents payment for wholesaling (assembly and warehousing), intra-city transportation and retailing. These functions may be performed by one or more firms.

Prices, Costs, and Margins Increase

The retail price of head lettuce increased sharply between 1963 and 1972. The U.S. average retail price (BLS) of Iceberg lettuce was 34.1 cents per head in 1972, 42 percent more than 9 years earlier. Retail price increases averaged slightly over 1 cent per head per

year. However, retail prices fluctuated sharply during any given year. Price changes were normally caused by shifts in lettuce supplies. Supplies were highly variable usually due to weather conditions at planting time, during the growing season, and at harvest. Supplies often changed sharply within a matter of weeks or even days. Although usually responsive to supply changes, retail lettuce prices were sometimes sticky and lagged behind changes in supply. Figure 1 shows the response of changes in monthly U.S. average retail price to changes in monthly 41-city lettuce unloads for 1971-72.

The retail value of a 24-head carton of lettuce sold in Chicago and New York City averaged \$7.82 in 1972, 47 percent higher than in 1963 (Fig. 2). The wholesale and retail margin increased 59 percent, to \$4.14. Rail transportation costs from California to Chicago and New York City, although unchanged from 1963 through 1967, went up 41 percent between 1967 and

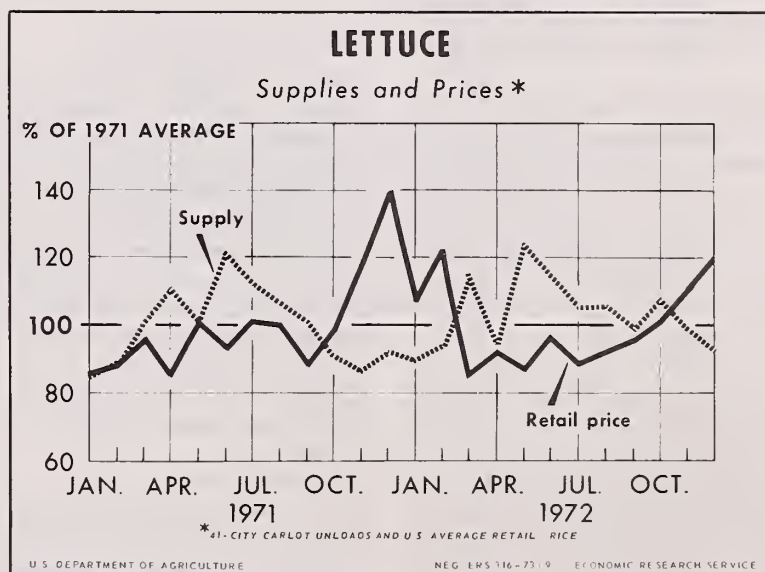


Figure 1

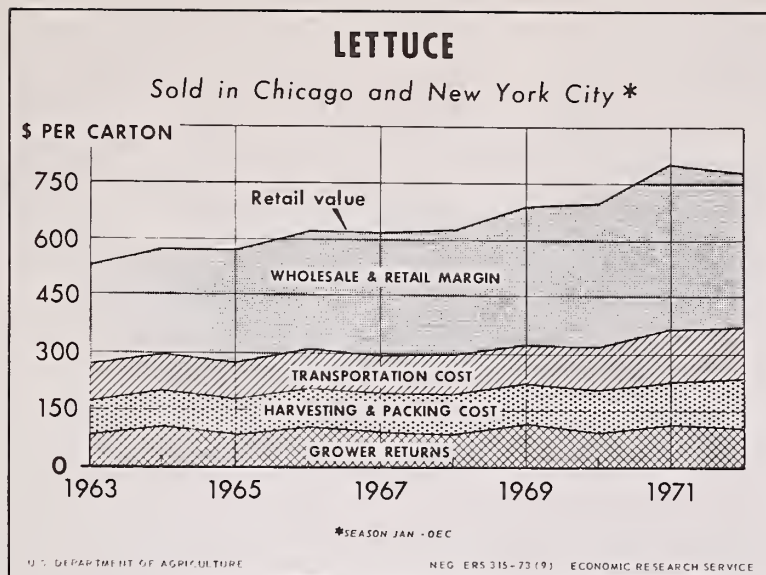


Figure 2

1972. Harvesting and packing costs in California rose from 90 cents per carton in 1963 to \$1.25 in 1972, a 39 percent increase. Returns to California growers rose about the same—from 83 cents to \$1.06 per carton. Grower returns fluctuated yearly, from 83 cents in 1963 to \$1.15 in 1969.

A simple trend line was fitted to the data in Figure 2. Results indicate that the retail value of Iceberg lettuce sold in Chicago and New York City increased an average of 28 cents per carton per year in 1963-72. During the same period, the wholesale and retail margin increased 18 cents per carton per year; rail transportation costs went up 4 cents; harvesting and packing costs rose 4 cents; and grower returns rose 2 cents.

The wholesaler's and retailer's share of the retail value of lettuce increased slightly during the 10 years. The grower's share, although highly variable, declined slightly. Other market shares did not show any significant change. For the 10 years the wholesale and retail margin averaged 52 percent of the retail value, rail transportation costs 17 percent, harvesting and packing costs 16 percent, and grower returns 15 percent.

Retail Price Higher in New York City

Consumers in New York City paid a higher average price for lettuce each year than did Chicago consumers (tables 2 and 3). The retail price averaged 1.5-3.5 cents per head higher in New York City in 1963-71 and was almost 7 cents higher in 1972. Higher retail prices reflected higher transportation costs to New York City and the city's larger wholesale and retail margin. Costs of rail transportation from California were 21 to 38 cents per carton higher to New York City than to Chicago. The wholesale and retail margin was 24-52 cents per carton higher than in Chicago in 1963-71 and \$1.18 higher in 1972.

Growers received about the same return for lettuce sold in either Chicago or New York City. Slight differences in the season average grower returns are caused by weighting monthly shipping point prices by carlot unloads in each city.

Since the wholesale and retail margin and transportation costs took slightly larger shares of the retail value of lettuce in New York City, shares going for harvesting and packing costs and grower returns were larger in Chicago.

Table 2.—Iceberg, Lettuce: Seasonal average prices, margins, costs and returns, Chicago¹

Seasons	Retail price per head	Retail value per carton ²	Wholesale and retail margin		Transportation costs ³		Harvesting & packing costs ⁴		Grower returns ⁵	
			Per carton	Percent-age of retail value	Per carton	Percent-age of retail value	Per carton	Percent-age of retail value	Per carton	Percent-age of retail value
	Cents	Dollars	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
1963	22.7	5.07	2.46	48	.84	17	.90	18	.87	17
1964	23.5	5.26	2.46	47	.84	16	.90	17	1.06	20
1965	24.8	5.54	2.83	51	.84	15	^b .95	17	.92	17
1966	25.9	5.79	2.87	50	.84	14	1.00	17	1.08	19
1967	26.9	6.00	3.15	52	.84	14	^b 1.02	17	.99	17
1968	26.6	5.94	3.12	53	.85	14	^b 1.04	17	.93	16
1969	29.7	6.63	3.54	53	.87	13	1.05	16	1.17	18
1970	29.1	6.49	3.56	55	.90	14	^b 1.10	17	.93	14
1971	33.7	7.52	4.07	54	1.08	14	1.15	16	1.22	16
1972	30.8	6.87	3.45	50	1.11	16	1.25	18	1.06	16

¹ 24 heads per carton, Season: January through December.² Returns to retailer for salable lettuce (7-percent allowance for loss incurred during marketing process). ³ Rail costs from Salinas, California. ⁴ Sample contract harvesting, packing, and haulingcosts for Salinas-Watsonville area of California. Source: California Agricultural Extension Service. ⁵ Returns to California growers (F.o.b. shipping point price minus harvesting and packing costs). ⁶ Estimated.Table 3.—Iceberg, Lettuce: Seasonal average prices, margins, costs and returns, New York City¹

Seasons	Retail price per head	Retail value per carton ²	Wholesale and retail margin		Transportation costs ³		Harvesting & packing costs ⁴		Grower returns ⁵	
			Per carton	Percent-age of retail value	Per carton	Percent-age of retail value	Per carton	Percent-age of retail value	Per carton	Percent-age of retail value
	Cents	Dollars	Dollars	Percent	Dollars	Percent	Dollars	Percent	Dollars	Percent
1963	24.5	5.46	2.70	50	1.05	19	.90	16	.81	15
1964	27.3	6.10	3.08	51	1.05	17	.90	15	1.07	17
1965	26.3	5.87	3.08	52	1.05	18	^b .95	16	.79	14
1966	29.4	6.55	3.40	52	1.05	16	1.00	15	1.10	17
1967	28.4	6.34	3.39	53	1.05	17	^b 1.02	16	.88	14
1968	29.0	6.47	3.48	54	1.08	17	^b 1.04	16	.87	13
1969	32.0	7.14	3.78	53	1.10	15	1.05	15	1.21	17
1970	32.7	7.30	4.04	55	1.25	17	^b 1.10	15	.91	13
1971	37.2	8.30	4.59	55	1.46	18	1.15	14	1.10	13
1972	37.7	8.42	4.63	55	1.48	18	1.25	15	1.06	12

¹ 24 heads per carton, Season: January through December.² Returns to retailer for salable lettuce (7-percent allowance for loss incurred during marketing process). ³ Rail costs from Salinas, California. ⁴ Sample contract harvesting, packing and haulingcosts for Salinas-Watsonville area of California. Source: California Agricultural Extension Service. ⁵ Returns to California growers (F.o.b. shipping point price minus harvesting and packing costs). ⁶ Estimated.

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